

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF OF THE BOARD OF DIRECTORS OF THE CASCADE METROPOLITAN DISTRICT NO. 1 HELD FEBRUARY 25, 2014

A regular meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Tuesday, the 25th day of February, 2014, at 5:00 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

P. J. Anderson
Mike Whittimore
Mike Herr
Robert Justis
Troy Eason

Also In Attendance Were:

Deborah D. McCoy and Leon Gomes; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq., White, Bear & Ankele, P.C.

Duane Schorman; Operator

Andre Kilik; Assistant Operator

Members of the Public; see attached list

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential or Existing Conflicts of Interest: The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Ms. Tanaka reported that disclosures for those directors with potential conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board and are attached hereto. Director Anderson noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted.

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ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed the proposed Agenda for the District's regular Board Meeting.

Following discussion, upon motion duly made by Director Whittemore, seconded by Director Justis and, upon vote, unanimously carried, the Agenda was approved, as amended.

Public Comment: A member of the public asked about Director Anderson's conflicts of interest because he could not find any Conflict of Interest filings for Director Anderson on the Colorado Secretary of State's website. Ms. Tanaka responded that Director Anderson's Conflicts of Interest have been filed with Secretary of State on a timely basis and she will check the website to ensure they are showing up properly. Director Anderson explained his conflicts of interest related to the District. Several members of the public commented on the proposed Monthly Water Provision Fee for the City of Colorado Springs and Colorado Springs Utilities. Many of those commenting on this fee were against its adoption. There were a few questions and comments about the alleged embezzlement of District funds. Directors responded to those questions to the extent that was possible. There was a request to identify the firm that performed the audits during the alleged embezzlement. The name of the firm was not disclosed. There was a question as to whether Special District Management Services, Inc. had insurance coverage that would indemnify the District for criminal acts causing a loss to the District. Mr. Gomes responded that SDMS has professional liability insurance, general liability insurance, and insurance covering criminal acts. Several members of the public asked if the City of Colorado Springs would assume ownership of the District's water system. Director Anderson responded that significant and costly improvements would need to be made to the District's infrastructure to bring it to a level that the City would require before accepting it. He said that the District may be better served by getting the water rights previously owned by the Cascade Public Service Corporation returned to the District and developing a water treatment system to serve its customers. There was a substantial amount of interaction between the Directors and the public related to several public members wanting to be included in the District. This interaction resulted in the Board directing Ms. Tanaka to draft a document summarizing the process of including the District's customers into the District's boundaries. This document is to be reviewed by the Board and will be sent to the property owners in the service area with the April billing.

Minutes: The Board reviewed and considered the minutes from the January 28, 2014 Regular meeting.

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Following discussion, upon motion duly made by Director Herr, seconded by Director Justis and, upon vote, unanimously carried, the Minutes were approved as presented.

The Board then reviewed and considered the Minutes of the February 5, 2014 Special meeting.

Following discussion, upon motion duly made by Director Herr, seconded by Director Justis and, upon vote, unanimously carried, the Minutes were approved as presented.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of payables through the period ending February 25, 2014, totaling \$37,710.28.

Following review and discussion, upon motion duly made by Director Whittemore, seconded by Director Eason and, upon vote, unanimously carried, the Board approved the payment of payables, subject to availability of funds.

Cash Analysis: Mr. Gomes presented the cash analysis to the Board and reviewed the current balances noting that after the claims are paid, there will be \$586.33 remaining in the fund.

2012 Audit: Mr. Gomes reported that the audit is still in process and he has no new update. The Board requested that Mr. Gomes push the completion of the audit with the auditor.

Resolution No. 2014-02-01; Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities: The Board discussed and considered Resolution No. 2014-02-01; Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities.

Following discussion, upon motion duly made by Director Whittemore, seconded by Director Justis and, upon vote, unanimously carried, the Board adopted Resolution No. 2014-02-01; Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities, as amended to state that the Monthly Water Provision Fee for the City of Colorado Springs and Colorado Springs Utilities will terminate when the balance due to the City is paid in full. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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Monthly Fee For Past Water Provided by City of Colorado Springs and Colorado Springs Utilities: The Board approved this fee as part of the approval of Resolution No. 2014-02-01.

Monthly Water Service Charges: The Board deferred consideration of these charges to the March meeting.

Imposition of Availability of Service Charges: The Board deferred consideration of these charges to the March meeting.

OPERATIONS MATTERS

Operators Report: Mr. Kilik reported to the Board that there is another broken fire hydrant. The Board directed Mr. Kilik to get an estimate for repair of the hydrant and file an insurance claim.

Mr. Kilik also reported that the City of Colorado Springs is preparing to apply for a 1" water tap from the District for its Visitor Center by Tollgate. Mr. Kilik recommended that Board require the City to install a fill station rather than using unmetered water from the fire hydrant. The Board agreed and noted that the fill station will be a requirement for the issuance of the tap.

Mr. Kilik noted that there is a water loss of approximately 45%-50% again. He believes the area at Rampart Terrace is the cause of this loss and would like to investigate this. However, due to safety concerns, he needs additional people to assist in this effort. Director Whittemore volunteered to help Mr. Kilik in these efforts.

Mr. Kilik reported that the District's water usage and loss from January 2013 to January 2014 is down by approximately two million gallons and there seems to be no explanation for this. He noted that new meters and remotes were purchased but there seems to be no explanation for the reduction.

Stults Residence: The Board reviewed a proposal from Lamb Plumbing & Excavating, Inc. for service line replacement services at the Stults residence. The Board directed Legal Counsel to prepare an agreement for the work and directed Mr. Gomes to research the funds available for the project.

Account 130 Request: Mr. Gomes presented the Board with a request from the property owner of account #130 to reclassify the property from a ¾" commercial to a ¾" residential tap.

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Following discussion, upon motion duly made by Director Whittemore, seconded by Director Justis and, upon vote, unanimously carried, the Board denied the request to reclassify. The Board noted that if the property owner can provide evidence of the reclassification then it will reconsider the request in the future.

Account 479 Request: Mr. Gomes presented a request from the property owner of account #479 and noted that there was an unusually high water usage in November that is unaccounted for and cannot be explained. The property owner addressed the Board and noted that all possible areas have been investigated for leaks and nothing has been found. The Board discussed the request. The Board directed staff to waive the late charges imposed since November and directed the water operator to contact the resident's tenant to determine whether he is aware of any water being left on or leaks. The Board deferred action to the March meeting.

LEGAL MATTERS

Resolution No. 2014-02-02; Resolution Relating to and Reaffirming the Creation of its Water Activity Enterprise: The Board reviewed Resolution No. 2014-02-02; Resolution Relating to and Reaffirming the Creation of its Water Activity Enterprise.

Following discussion, upon motion duly made by Director Herr, seconded by Director Whittemore and, upon vote, unanimously carried, the Board adopted Resolution No. 2014-02-02; Resolution Relating to and Reaffirming the Creation of its Water Activity Enterprise. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution No. 2014-02-03: Resolution Amending 2014 Annual Administrative Matters Resolution: The Board reviewed Resolution No. 2014-02-03: Resolution Amending 2014 Annual Administrative Matters Resolution which changes the designated newspaper for legal notices for the District. Following discussion, upon motion duly made by Director Whittemore, seconded by Director Justis and, upon vote, unanimously carried, the Board adopted reviewed Resolution No. 2014-02-03: Resolution Amending 2014 Annual Administrative Matters Resolution. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Independent Contractor Agreement with JDS-Hydro Consultants, Inc. for District Engineering Services: The Board reviewed the Independent Contractor Agreement with JDS-Hydro Consultants, Inc. for District Engineering Services.

Following discussion, upon motion duly made by Director Justis, seconded by Director Eason and, upon vote, unanimously carried, the Board approved the

RECORD OF PROCEEDINGS

Independent Contractor Agreement with JDS-Hydro Consultants, Inc. for District Engineering Services.

Rules and Regulations: Mr. Gomes noted that he requested a proposal from Ms. Tanaka and JDS-Hydro for drafting rules and regulations for the District. Mr. Anderson inquired into the issues with the current regulations. Mr. Gomes noted there are many things including the demarcation line for responsibilities of the property owner versus the District need to be revisited. Ms. Tanaka suggested that she review the current rules and regulations to determine whether they are sufficient, whether revisions need to be made or whether new regulations need to be considered. The Board directed Ms. Tanaka to do this and report back.

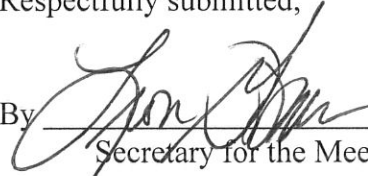
Status of May 6, 2014 Election: Ms. Tanaka reported that self-nomination and acceptance forms are due to Mr. Gomes, the Designated Election Official, by no later than 5:00 P.M. on Friday, February 28, 2014. Affidavits of Write-In Candidate are due on Monday, March 3, 2014. In the event there are no more candidates than positions up for election, the election may be cancelled on May 4, 2014.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By

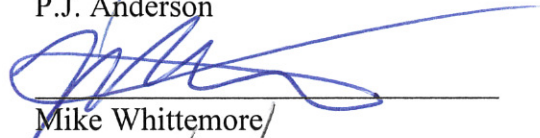


Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 25, 2014
MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE
BOARD OF DIRECTORS SIGNING BELOW:



P.J. Anderson

Mike Whittemore

Mike Herr

Bob Justis

Troy Eason

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO
CERTIFICATE

20145005569

I, Scott Gessler, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

P.J. ANDERSON
PRESIDENT
CASCADE METROPOLITAN DISTRICT NO. 1

has disclosed and filed a Conflict of Interest with this office in accordance with section 24-18-110, C.R.S., and Rule 1.1 of the Secretary of State's Rules Concerning Conflicts of Interest.

The Conflict of Interest Disclosure was filed with the following information:

Amount of Financial Interest (if any): n/a

Purpose and Duration of Services Rendered: Additional information was filed as an attachment.

Other Relevant Information: Additional information was filed as an attachment.

This certificate reflects facts established or disclosed by documents electronically filed in this office on 02/21/2014 @ 12:40:22 PM.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on Friday, February 21, 2014 @ 12:40:25 PM pursuant to and in accordance with applicable law.



Secretary of State of the State of Colorado

Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective.

CONFLICTS DISCLOSURE FORM

TO: THE BOARD OF DIRECTORS OF CASCADE METROPOLITAN DISTRICT NO. 1; AND THE SECRETARY OF STATE

FROM: P.J. Anderson

RE: Disclosure of Conflict or Potential Conflict of Interest

I, P.J. Anderson, am a member of the Board of Directors (the "Board") of Cascade Metropolitan District No. 1, (the "District").

In accordance with Section 24-18-109(3)(b), Section 24-18-110, Section 32-1-902, and Section 18-8-308, C.R.S., I hereby give notice to the District and the Secretary of State that to the best of my knowledge, information and belief, and as disclosed herein, I have a conflict or a potential conflict of interest which may impinge on my fiduciary duty and the public trust with respect to the matters set forth herein.

Further, in accordance with applicable law, this disclosure contains information regarding my ownership of any interest in property within the boundaries of the District, and any affiliation I may have with any business(es) or other private entity(ies) and the amount of any financial interest with respect to my qualification as a director and to any other specific transaction under consideration by the Board of the District, which may give rise to my conflict or potential conflict of interest.

The interests in property within the District and business ventures described in this Disclosure Form may create the potential for conflicts of interest in my service as a member of the Board, in that actions under consideration or actions officially taken by the Board may benefit, directly or indirectly, my interests as disclosed herein. Such actions may include, but are not limited to: authorization of construction of public improvements, actions to engage contractors for improvements or services, actions relative to various requirements of state, local and federal laws and other matters to keep the District in good standing as a political subdivision of the State of Colorado, issuance of bonds or incurrence of other financial obligations in furtherance of the District's activities, approval of reimbursement agreements with business ventures in which I have a financial interest or in which I have a personal interest, establishing and collecting fees and taxes, approval of payments and other official actions or decisions of the Board, and negotiations relative to any such matters.

1. Do you have any real or personal property (i.e. taxable business property) interests within the boundaries of the District or that may be affected by activities of the District? Yes ☒ No

If yes, please describe the location and size of the property and the percentage you own or the extent of your personal interest.

Property

Interest

2. Do you have any interest in any business or businesses that may become involved with or are affected by the activities of the District? ☒ Yes ☐ No

If yes, please list the business or businesses and the extent of your ownership.

Business

Percentage Interest

I am the sole owner of the Cascade Public Service Company ("PSC"). PSC assigned its rights to receive treated water from the City of Colorado Springs in 2005 at no cost. In addition, PSC has agreed to convey sufficient water rights to the District at no cost to serve its customers should PSC and the District be permitted to terminate a 1990 Agreement with the City and construct a new water treatment plant. The only asset of PSC is water rights. In the event that the 1990 Agreement is terminated and sufficient water rights are conveyed to the District as agreed, I have a financial interest in the remaining water rights.

3. Are you a director or officer in any business or businesses that may become or are currently involved with or affected by the activities of the District? ☒ Yes ☐ No

If yes, please list the business or businesses and the office held.

Business

Office

I am the sole owner of the Cascade Public Service Company ("PSC"). PSC assigned its rights to receive treated water from the City of Colorado Springs in 2005 at no cost. In addition, PSC has agreed to convey sufficient water rights to the District at no cost to serve its customers should PSC and the District be permitted to terminate a 1990 Agreement with the City and construct a new water treatment plant. The only asset of PSC is water rights. In the event that the 1990 Agreement is terminated and sufficient water rights are conveyed to the District as agreed, I have a financial interest in the remaining water rights.

4. Do you personally have a loan or debtor interest which may be affected by action of the District's board? ☒ Yes ☐ No

If yes please list the entities that you have loaned money to, or that have loaned money to you and the amount of the loan or debtor interest

Business

Amount

I am the sole owner of the Cascade Public Service Company ("PSC"). PSC assigned its rights to receive treated water from the City of Colorado Springs in 2005 at no cost. In addition, PSC has agreed to convey sufficient water rights to the District at no cost to serve its customers should PSC and the District be permitted to terminate a 1990 Agreement with the City and construct a new water treatment plant. The only asset of PSC is water rights. In the event that the 1990 Agreement is terminated and sufficient water rights are conveyed to the District as agreed, I have a financial interest in the remaining water rights.

5. Do you have a creditor interest in any insolvent business or businesses that may become involved with or are affected by the activities of the District? Yes ☒ No

If yes, please list the business or businesses, the extent of your interest in the business and the amount of your creditor or debtor interest.

Business

Percentage Interest

6. Are you currently employed by, or in negotiations for employment with, any business or businesses that may become involved with or are affected by the activities of the District? Yes ☒ No

If yes, please list the business or businesses and the amount of compensation (i.e. salary, bonus or compensation based on profitability of the business) and/or other compensation.

Business

Compensation

7. Do you provide services to any business or businesses that may become involved with or are affected by the activities of the District? Yes ☒ No

If yes, please list the business or businesses, the type of services provided, the time period the services were or will be provided and the type and amount of compensation.

Business

Services

Purpose

Time Period

Compensation

8. I have the following additional personal or private interests which may create a potential conflict of interest: _____

9. Are you a member of an executive board of an owners' association located within the boundaries of the District? (i.e., a HOA, POA or similar) Yes No

If yes, please list the name of the association and the office you hold.

In addition to the foregoing disclosure, which shall be deemed a continuing disclosure, and shall apply to all actions taken at meetings of the Board for which I am a participant, and shall, by the filing hereof with the Board and the Secretary of State, be deemed made at least 72 hours in advance of any such meeting, in accordance with law, I may also have a conflict or potential conflict of interest with respect to the following specific transactions which may come before the Board:

1. Exhibit A which is the agenda for the meeting.

Signature: _____

Last Updated 12/13/2013

EXHIBIT A
(Meeting Agenda)

CASCADE METROPOLITAN DISTRICT NO. 1

Administrative Offices

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

NOTICE OF REGULAR MEETING AND AGENDA

Board of Directors:

P. J. Anderson
Mike Whittemore
Mike Herr
Bob Justis
Troy Eason

President
Vice President
Secretary/Treasurer
Assistant Secretary
Assistant Secretary

Term/Expires:

2014/May 2014
2014/May 2014
2016/May 2016
2014/May 2014
2016/May 2014

DATE: February 25, 2014

TIME: 5:00 p.m.

PLACE: Cascade Fire Station
8015 Severy Road
Cascade, CO 80809

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.

- B. Approve Agenda.

- C. Public Comment. (Matters not otherwise on the Agenda, Public Comment Limited to 3 Minutes per Person)

- D. Review and approve Minutes of the January 28, 2014 Regular Meeting and the February 5, 2014 Special Meeting (enclosures).

II. FINANCIAL MATTERS

- A. Review and approve the payment of payables for the period ending February 25, 2014 in the amount of \$30,934.35 (enclosure).

- B. Discuss cash analysis (to be distributed at the meeting).

- C. Discuss status of 2012 Audit.

- D. Consider Adoption of Resolution No. 2014-02-01; Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water Services and Facilities (enclosure).

 - 1. Discuss and Consider Fixing of Monthly Fee For Past Water Provided by City of Colorado Springs and Colorado Springs Utilities.

 - 2. Discuss and Consider Increasing Monthly Water Service Charges.

 - 3. Discuss and Consider Imposition of Availability of Service Charges.

III. OPERATIONS MATTERS

- A. Operators Monthly Report.

- B. Update on Stults Residence.

IV. LEGAL MATTERS

- A. Consider Adoption of Resolution No. 2014-02-02; Resolution Relating to and Reaffirming the Creation of its Water Activity Enterprise (enclosure).

- B. Consider Adoption of Resolution No. 2014-02-03; Resolution Amending 2014 Annual Administrative Matters Resolution (enclosure).

- C. Consider Approval of Independent Contractor Agreement with JDS-Hydro Consultants, Inc. for District Engineering Services (enclosure).

- D. Consider Directing Legal Counsel and District Engineer to Prepare Rules and Regulations for the District and Proposed Costs Thereof.

- E. Discuss Status of May 6, 2014 Election.

ADJOURN TO EXECUTIVE SESSION, IF NECESSARY:

- A.

- V. OTHER BUSINESS
 - A. Discuss future Agenda items.

- VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
MARCH 25, 2014**

CASCADE METROPOLITAN DISTRICT No. 1

2/25 / , 2014

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
✓ CHRIS REIMER	70. Box 836	(719) 649 2890	QUESTIONS FOR THE BOARD ON MINUTES OF PAST MEETINGS.
✓ JAY VICKERMAN	P.O. Box 36	684-9495	Board of Community vs. P.J's INTERESTS
✓ Dianita Wagner	4555 + 4710 Pyr. Mt Rd	684-2548	Moving into District 1) 2) water rights vs. Benefiting Lake
✓ Lise Fugitt	4220 Outpost Rd	332 2448	Re: " " fee increase
✓ Coleman Barton	8212 Emporia	684-7915	? Depends on other remarks made
✓ Tom Lichtenia	PO Box 884	433 3605	NO REPRESENTATION OF THE DISTRICT OF THE DISTRICT MISTERS METR
✓ WAHNEC. BRAND	8215 Aue none third PO Box 177	684-2275	Board of Delegates

_____, 2014

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

[illegible]

CASCADE METROPOLITAN DISTRICT No. 1

_____, 2014

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
<i>FAT CONNARD</i>	<i>8160 CHIPITA PARK RD. CASCADE</i>	<i>719684 3155</i>	

*CO 80809 Pat Connard
gmail.com*

** TARA KELLEY 7850 Bull
Cascade, CO 80809*

** AL Dunningham 8302 Chipita Park 7196848286*

** Bob Erickson*

_____, 2014

[illegible]

Resolution No. 2014-02-01**AMENDED AND RESTATED RESOLUTION
OF THE BOARD OF DIRECTORS OF
CASCADE METROPOLITAN DISTRICT NO. 1****CONCERNING THE IMPOSITION OF VARIOUS FEES, RATES, PENALTIES AND
CHARGES FOR WATER SERVICES AND FACILITIES**

WHEREAS, pursuant to an Order of the District Court in and for El Paso County, Colorado, the Cascade Metropolitan District No. 1 (the "District") was duly and validly organized and exists as a metropolitan district in accordance with Colorado law; and

WHEREAS, the District owns, operates and maintains various water facilities and improvements (the "Improvements") and provides associated services to its users, residents, taxpayers and property owners; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served, the revenues from which fees, rates, tolls and charges may be pledged to the payment of any indebtedness of the District; and

WHEREAS, the District desires to establish the water charges, usage fees and equivalency rates in order to finance the costs associated with the District's general operations and the District's operation and maintenance of the Improvements; and

WHEREAS, pursuant to § 32-1-1006(1)(h), C.R.S., the District is empowered to assess availability of service or facilities charges for the purpose of paying principal of an interest on any outstanding indebtedness or bonds of the District; and

WHEREAS, pursuant to § 32-1-1006(1)(g), C.R.S., the District is empowered to fix and from time to time increase or decrease tap fees; and

WHEREAS, the District desires to impose a tap fee as a one-time contribution required of new customers to be used for capital investment in regional facilities and District operations, as well as a related tapping fee to cover the District's actual costs associated with the new tap and the incorporation of the new service to the District's systems; and

WHEREAS, the water charges, usage fees, equivalency rates, availability of service charges and tap fees are referred to herein as the "Fees" or a "Fee"; and

WHEREAS, the District finds that the Fees set forth herein are reasonably related to the Improvements and services provided by the District and that imposition thereof is necessary to provide the services and facilities serving the property subject to such Fees.

NOW, THEREFORE, be it resolved by the Board of Directors of the District as follows:

1. Fees. The District hereby establishes the Fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. All prior resolutions adopted by the Board which impose fees, rates, tolls, penalties or charges, are hereby replaced and superseded in their entirety with this Resolution. Any fees, rates, tolls, penalties or charges due under such prior resolutions, to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

2. Late Fees and Penalty Interest. Any Fee that is not paid in full within Fifteen (15) days after the scheduled due date shall be assessed a late fee in the amount of Fifteen Dollars (\$15.00) pursuant to § 29-1-1102(3), C.R.S. Interest will also accrue on any outstanding Fee, exclusive of assessed late fees and interest, at the rate of 12% per annum, pursuant to § 29-1-1102(7), C.R.S. and § 32-1-1006(1)(d), C.R.S.

3. Payment. Payment for each Fee shall be made payable to "Cascade Metropolitan District No. 1" and sent to the following address, on or before the due date: Cascade Metropolitan District No. 1, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228.

4. Fees Constitute Lien. The Fees imposed hereunder each shall, until paid, constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the manner as provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j), C.R.S.

5. Collection Procedures. The District shall undertake collection efforts for any amounts outstanding, including late fees, interest and attorneys' fees, in accordance with Federal and Colorado law.

6. Certification of Account to County Treasurer. Pursuant to §32-1-1101(1)(e), C.R.S., the Board may elect to certify any delinquent account and late fees satisfying the criteria established therein to the County Treasurer for collection with the District's *ad valorem* property taxes. The certification process may be in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and County policy.

7. Severability. If any clause or provision of this Resolution is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such adjudgement shall not affect the validity of this Resolution as a whole, but shall be severed herefrom, leaving the remaining provisions intact and enforceable.

8. The Property. This Resolution shall apply to all property served by the District, any property within the District's boundaries and any additional property included into the

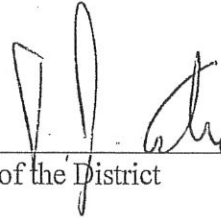
District's boundaries after the date of this Resolution. This Resolution shall be recorded on the properties set forth in **Exhibit B**, attached hereto and incorporated herein by this reference.

9. Effective Date. This Resolution shall become effective as of February 25, 2014.

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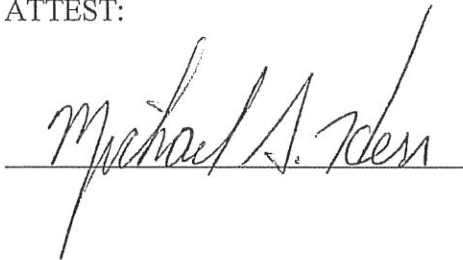
APPROVED AND ADOPTED this 25th day of February 2014.

CASCADE METROPOLITAN DISTRICT NO. 1, a
quasi municipal corporation and political subdivision
of the State of Colorado

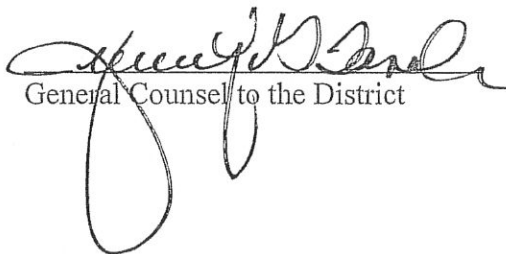


Officer of the District

ATTEST:



APPROVED AS TO FORM:
White, Bear & Ankele
Professional Corporation



General Counsel to the District

EXHIBIT A

SCHEDULE OF FEES AND CHARGES

Adopted and Approved

February 25, 2014

WATER TAP FEE

Residential

¾" Single Family	\$15,000
1" Single Family	\$28,950
¾" Multi-Family	\$15,000

Non-Residential

¾" Commercial	\$15,000
1" Commercial	\$28,950
3" Commercial	\$225,000

MONTHLY WATER SERVICE CHARGES

Residential

¾" Single Family	\$18.00/month
1" Single Family	\$34.75/month
¾" Multi-Family	\$18.00/month

Non-Residential

¾" Commercial	\$18.00/month
1" Commercial	\$34.75/month
3" Commercial	\$270.00/month
¾" Public Authority	\$18.00/month
¾" Public Authority—Holy Cross	\$69.25/month

MONTHLY WATER USAGE FEES

Metered Accounts (Exclusive of accounts #278 and 279)	\$16.00/1,000 gallons
Public Authority—Pikes Peak (accounts #278 and 279)	\$13.50/1,000 gallons
Hydrants (exclusive of account #331)	\$16.00/1,000 gallons
Public Authority—Pikes Peak (account #331)	\$26.61/1,000 gallons

PIPELINE SURCHARGE FEES

All Pipeline Surcharge Fees shall remain applicable at all times during service, whether the meter is turned on or off.

Residential

¾" Single Family	\$30.75/month
1" Single Family	\$81.25/month
¾" Multi-Family	\$55.50/month

Non-Residential

3/4" Commercial	\$76.50/month
1" Commercial	\$150.25/month
3" Commercial	\$754.00/month
3/4" Public Authority	\$7.75/month
3/4" Public Authority—Holy Cross	\$199.50/month

MISCELLANEOUS FEES:

<u>LATE FEES</u>	\$15.00/each
<u>BAD CHECK FEES</u>	\$30.00/each
<u>COLLECTIONS</u>	120% of Actual Fees and Costs of Collections
<u>NEW ACCOUNT TRANSFER/EXISTING SERVICE</u> This fee is paid directly to Special District Management Services, Inc., via the title company and loan closing process and is in lieu of SDMS billing hourly for its services regarding the title transfer/account set-up.	\$250.00/each transfer
<u>METER TURN-OFF FEE</u> The monthly fee shall be applicable (for both customer requested or District initiated turn-offs) for the duration of the turn-off period.	\$40.00 plus \$8.75/month
<u>METER TURN-ON FEE</u>	\$40.00
<u>DISCONNECTION OF SERVICE FEE</u> Disconnection of service requires the removal of the meter. re-establishment of service shall require payment of all applicable fees specified to a new account, including, but not limited to, Tap Fees.	\$
<u>UNAUTHORIZED CONNECTION/USE/TEMPORARY FEE</u>	Up to \$10,000/per
<u>INSPECTION/MAINTENANCE FEES</u>	\$35.00/hour
<u>PLAN REVISION FEES</u>	\$50.00 flat fee plus 120% of actual review costs.
<u>AVAILABILITY OF SERVICE CHARGES</u> (Imposed upon properties located within 100 feet of District improvements. Amounts applied to debt service)	50% of monthly water fees and charges

MONTHLY WATER PROVISION FEE*

Residential

3/4" Single Family	\$25.00/month
1" Single Family	\$47.75/month
3/4" Multi-Family	\$25.00/month

Non-Residential

3/4" Commercial	\$25.00/month
1" Commercial	\$47.75/month
3" Commercial	\$375.00/month
3/4" Public Authority	\$25.00/month
3/4" Public Authority—Holy Cross	\$96.18/month

*For water provided by the City of Colorado Springs, Colorado and Colorado Springs Utilities. Amounts to be tendered to the City and CSU upon receipt by the District. Fee to automatically terminate upon full satisfaction and/or payment of amounts due.

EXHIBIT B
The Property

The property depicted on the map attached hereto as **Exhibit B-1**,

Together with:

Properties located within Sections 22, 23, 26 & 27, Township 13 South, Range 68 West of the 6th P.M, County of El Paso, State of Colorado specifically including, but not limited to, the following:

'A' 4860 PIKES PEAK HWY	CASCADE	CO	80809
125 ELK PARK ROAD	CASCADE	CO	80809
4210 OUTPOST ROAD	CASCADE	CO	80809
4215 OUTPOST	CASCADE	CO	80809
4220 OUTPOST	CASCADE	CO	80809
4250 OUTPOST	CASCADE	CO	80809
4255 OUTPOST	CASCADE	CO	80809
4260 OUTPOST ROAD	CASCADE	CO	80809
4265 OUTPOST	CASCADE	CO	80809
4270 OUTPOST	CASCADE	CO	80809
4275 OUTPOST ROAD	CASCADE	CO	80809
4280 OUTPOST ROAD	CASCADE	CO	80809
4305 OUTPOST ROAD	CASCADE	CO	80809
4315 OUTPOST	CASCADE	CO	80809
4320 OUTPOST	CASCADE	CO	80809
4325 HEIZER	CASCADE	CO	80809
4325 OUTPOST	CASCADE	CO	80809
4330 HEIZER	CASCADE	CO	80809
4335 HEIZER	CASCADE	CO	80809
4340 HEIZER	CASCADE	CO	80809
4350 HEIZER STREET	CASCADE	CO	80809
4355 HEIZER STREET	CASCADE	CO	80809
4356 PRAIRIE ROAD	CASCADE	CO	80809
4362 PRAIRIE ROAD	CASCADE	CO	80809
4370 PRAIRIE ROAD	CASCADE	CO	80809
4390 PRAIRIE STREET	CASCADE	CO	80809
4400 MARTINDALE ST.	CASCADE	CO	80809
4410 HEIZER	CASCADE	CO	80809
4410 MARTINDALE	CASCADE	CO	80809
4412 MARTINDALE CABIN	CASCADE	CO	80809
4414 MARTINDALE	CASCADE	CO	80809
4415 HEIZER	CASCADE	CO	80809
4420 HEIZER	CASCADE	CO	80809

4420 PRAIRIE STREET	CASCADE	CO	80809
4425 1/2 HAGERMAN	CASCADE	CO	80809
4425 HAGERMAN	CASCADE	CO	80809
4425 MODJESKA	CASCADE	CO	80809
4435 HEIZER STREET	CASCADE	CO	80809
4440 HEIZER STREET	CASCADE	CO	80809
4440 MARTINDALE	CASCADE	CO	80809
4440 PRAIRIE STREET	CASCADE	CO	80809
4445 MODJESKA	CASCADE	CO	80809
4450 MODJESKA	CASCADE	CO	80809
4450 MODJESKA	CASCADE	CO	80809
4454 FOUNTAIN	CASCADE	CO	80809
4455 FOUNTAIN AVENUE	CASCADE	CO	80809
4455 HAGERMAN	CASCADE	CO	80809
4455 HEIZER STREET	CASCADE	CO	80809
4460 HEIZER STREET	CASCADE	CO	80809
4460 HEIZER STREET	CASCADE	CO	80809
4460 MARTINDALE	CASCADE	CO	80809
4460 MODJESKA	CASCADE	CO	80809
4460 PRAIRIE ROAD	CASCADE	CO	80809
4465 PRAIRIE STREET	CASCADE	CO	80809
4470 FOUNTAIN AVENUE	CASCADE	CO	80809
4475 HEIZER STREET	CASCADE	CO	80809
4490 FOUNTAIN	CASCADE	CO	80809
4501 EDWARDS	CASCADE	CO	80809
4505 FOUNTAIN	CASCADE	CO	80809
4510 FOUNTAIN	CASCADE	CO	80809
4519 EDWARDS PLACE	CASCADE	CO	80809
4530 HAGERMAN	CASCADE	CO	80809
4540 FOUNTAIN AVENUE	CASCADE	CO	80809
4545 HAGERMAN ROAD	CASCADE	CO	80809
4550 FOUNTAIN	CASCADE	CO	80809
4550 HAGERMAN	CASCADE	CO	80809
4551 PYRAMID MOUNTAIN RD.	CASCADE	CO	80809
4555 PYRAMID MTN. RD.	CASCADE	CO	80809
4560 FOUNTAIN	CASCADE	CO	80809
4560 HAGERMAN	CASCADE	CO	80809
4565 HAGERMAN	CASCADE	CO	80809
4575 FOUNTAIN	CASCADE	CO	80809
4580 FOX	CASCADE	CO	80809
4580 HAGERMAN ROAD	CASCADE	CO	80809
4585 HAGERMAN	CASCADE	CO	80809
4590 HAGERMAN	CASCADE	CO	80809

4595 FOX	CASCADE	CO	80809
4602 FOUNTAIN	CASCADE	CO	80809
4605 MESA	CASCADE	CO	80809
4610 FOX	CASCADE	CO	80809
4615 FOUNTAIN	CASCADE	CO	80809
4615 HAGERMAN	CASCADE	CO	80809
4615 MESA	CASCADE	CO	80809
4620 FOUNTAIN	CASCADE	CO	80809
4620 FOX	CASCADE	CO	80809
4620 MARTINDALE	CASCADE	CO	80809
4625 FOX	CASCADE	CO	80809
4625 MESA	CASCADE	CO	80809
4630 FOUNTAIN	CASCADE	CO	80809
4640 FOUNTAIN AVENUE	CASCADE	CO	80809
4640 MARIPOSA LANE	CASCADE	CO	80809
4640 MESA ROAD	CASCADE	CO	80809
4645 COLUMBINE LANE	CASCADE	CO	80809
4645 FOUNTAIN AVE.	CASCADE	CO	80809
4645 FOX	CASCADE	CO	80809
4645 MESA	CASCADE	CO	80809
4650 MARTINDALE	CASCADE	CO	80809
4660 FOUNTAIN	CASCADE	CO	80809
4660 HAGERMAN ROAD	CASCADE	CO	80809
4660 MESA	CASCADE	CO	80809
4665 COLUMBINE	CASCADE	CO	80809
4665 FOX STREET	CASCADE	CO	80809
4670 COLUMBINE	CASCADE	CO	80809
4675 FOUNTAIN	CASCADE	CO	80809
4675 HAGERMAN	CASCADE	CO	80809
4680 HAGERMAN	CASCADE	CO	80809
4680 MARIPOSA	Cascade	CO	80809
4685 FOX	CASCADE	CO	80809
4690 FOUNTAIN	CASCADE	CO	80809
4695 FOREST ROAD	CASCADE	CO	80809
4695 FOX	CASCADE	CO	80809
4704 HAGERMAN	CASCADE	CO	80809
4705 HAGERMAN	CASCADE	CO	80809
4710 PYRAMID MTN RD	CASCADE	CO	80809
4720 FOUNTAIN	CASCADE	CO	80809
4730 MARTINDALE	CASCADE	CO	80809
4730 MARTINDALE RD. CABIN	CASCADE	CO	80809
4750 FOUNTAIN	CASCADE	CO	80809
4760 FOUNTAIN AVE.	CASCADE	CO	80809

4760 PIKES PEAK HWY	CASCADE	CO	80809
4770 PIKES PEAK HWY	CASCADE	CO	80809
4810 PYRAMID MTN RD	CASCADE	CO	80809
4840 PIKES PEAK HIGHWAY	CASCADE	CO	80809
4852 PYRAMID MTN RD	CASCADE	CO	80809
4860 PIKES PEAK HIGHWAY	CASCADE	CO	80809
4870 PYRAMID MTN RD	CASCADE	CO	80809
4890 PYRAMID MTN RD	CASCADE	CO	80809
4895 PIKES PEAK HIGHWAY	CASCADE	CO	80809
4905 PIKE RD.	CASCADE	CO	80809
4925 PIKE RD.	CASCADE	CO	80809
4935 DODD ROAD	CASCADE	CO	80809
4935 PIKE ROAD	CASCADE	CO	80809
4955 DODD RD	CASCADE	CO	80809
4965 PIKE ROAD	CASCADE	CO	80809
4965 PIKES PEAK HWY.	CASCADE	CO	80809
4975 DODD ROAD	CASCADE	CO	80809
4980 DODD RD.	CASCADE	CO	80809
4990 DODD ROAD	CASCADE	CO	80809
5005 CHIPITA PINES DRIVE	CASCADE	CO	80809
5010 CHIPITA PINES DRIVE	CASCADE	CO	80809
5045 CHIPITA PINES DR	CASCADE	CO	80809
5050 CHIPITA PINES DR.	CASCADE	CO	80809
5085 CHIPITA PINES DR.	CASCADE	CO	80809
5125 CHIPITA PINES DRIVE	CASCADE	CO	80809
5130 CHIPITA PINES DR.	CASCADE	CO	80809
5165 CHIPITA PINES DRIVE	CASCADE	CO	80809
5205 CHIPITA PINES DR.	CASCADE	CO	80809
5245 CHIPITA PINES DRIVE	CASCADE	CO	80809
5250 PIKES PEAK HWY	CASCADE	CO	80809
5285 CHIPITA PINES DRIVE	CASCADE	CO	80809
5306 RAMPART TERR.	CASCADE	CO	80809
5310 RAMPART TERR.	CASCADE	CO	80809
5320 RAMPART TERRACE RD.	CASCADE	CO	80809
5330 RAMPART TERRACE	CASCADE	CO	80809
5334 RAMPART TERR.	CASCADE	CO	80809
5335 RAMPART TERR	CASCADE	CO	80809
5338 RAMPART TERRACE	CASCADE	CO	80809
5345 RAMPART TERR	CASCADE	CO	80809
5350 PIKES PEAK HWY	CASCADE	CO	80809
5350 RAMPART TERRACE	CASCADE	CO	80809
5354 RAMPART TERRACE	CASCADE	CO	80809
5365 RAMPART TERR	CASCADE	CO	80809

5370 RAMPART TERRACE	CASCADE	CO	80809
5390 RAMPART TERR.	CASCADE	CO	80809
7705 TOPEKA	CASCADE	CO	80809
7720 MARRIOTT	CASCADE	CO	80809
7720 SEVERY	CASCADE	CO	80809
7725 MARRIOTT	CASCADE	CO	80809
7725 SEVERY ROAD	CASCADE	CO	80809
7730/7732 MARRIOTT	CASCADE	CO	80809
7735 SEVERY	CASCADE	CO	80809
7735 TOPEKA	CASCADE	CO	80809
7740 MARRIOTT ROAD	CASCADE	CO	80809
7745 MARRIOTT	CASCADE	CO	80809
7745 TOPEKA	CASCADE	CO	80809
7750 MARRIOTT	CASCADE	CO	80809
7750 SEVERY	CASCADE	CO	80809
7751 MARRIOTT ROAD	CASCADE	CO	80809
7755 TOPEKA	CASCADE	CO	80809
7759 MARRIOTT ROAD	CASCADE	CO	80809
7760 MARRIOTT	CASCADE	CO	80809
7760 TOPEKA	CASCADE	CO	80809
7765 MARRIOTT ROAD	CASCADE	CO	80809
7770 MARRIOTT ROAD	CASCADE	CO	80809
7770 SEVERY	CASCADE	CO	80809
7770 TOPEKA	CASCADE	CO	80809
7775 MARRIOTT ROAD	CASCADE	CO	80809
7775 TOPEKA	CASCADE	CO	80809
7780 MARRIOTT	CASCADE	CO	80809
7780 SEVERY	CASCADE	CO	80809
7790 MARRIOTT	CASCADE	CO	80809
7790 SEVERY	CASCADE	CO	80809
7790 SOUTH TOPEKA	CASCADE	CO	80809
7795 SEVERY	CASCADE	CO	80809
7805 GARDINER	CASCADE	CO	80809
7805 TOPEKA	CASCADE	CO	80809
7810 GARDINER	CASCADE	CO	80809
7815 MARRIOTT	CASCADE	CO	80809
7820 GARDINER	CASCADE	CO	80809
7825 BLUFF ROAD	CASCADE	CO	80809
7825 GARDINER	CASCADE	CO	80809
7825 TOPEKA AVENUE	CASCADE	CO	80809
7830 BLUFF	CASCADE	CO	80809
7830 MARRIOTT ROAD	CASCADE	CO	80809
7830 SEVERY	CASCADE	CO	80809

7835 BLUFF	CASCADE	CO	80809
7835 SEVERY	CASCADE	CO	80809
7835 TOPEKA AVENUE	CASCADE	CO	80809
7845 BLUFF ROAD	CASCADE	CO	80809
7845 GARDINER	CASCADE	CO	80809
7845 TOPEKA	CASCADE	CO	80809
7845 W. HWY. 24	CASCADE	CO	80809
7850 BLUFF ROAD	CASCADE	CO	80809
7850 GARDINER	CASCADE	CO	80809
7850 SOUTH TOPEKA	CASCADE	CO	80809
7855 MARRIOTT ROAD	CASCADE	CO	80809
7855 TOPEKA	CASCADE	CO	80809
7855 W. HWY. 24	CASCADE	CO	80809
7860 MARRIOTT	CASCADE	CO	80809
7860 SEVERY	CASCADE	CO	80809
7860 TOPEKA	CASCADE	CO	80809
7865 MARRIOTT	CASCADE	CO	80809
7865 TOPEKA	CASCADE	CO	80809
7865 W. HWY. 24	CASCADE	CO	80809
7870 GARDINER	CASCADE	CO	80809
7870 GARDINER ROAD	CASCADE	CO	80809
7875 GARDINER	CASCADE	CO	80809
7875 MARRIOTT	CASCADE	CO	80809
7875 S. TOPEKA	CASCADE	CO	80809
7875 SEVERY	CASCADE	CO	80809
7875 W. HWY. 24	MOORE	CO	80809
7875 WEST HIGHWAY 24	CASCADE	CO	80809
7879 MARRIOTT	CASCADE	CO	80809
7880 SEVERY	CASCADE	CO	80809
7880 TOPEKA	CASCADE	CO	80809
7885 MARRIOTT	CASCADE	CO	80809
7885 WEST HIGHWAY 24	CASCADE	CO	80809
7889 W. HIGHWAY 24	CASCADE	CO	80809
7890 GARDINER	CASCADE	CO	80809
7890 SEVERY ROAD	CASCADE	CO	80809
7895 W. HWY. 24	CASCADE	CO	80809
7905 W. HWY. 24	CASCADE	CO	80809
7910 FOREST	CASCADE	CO	80809
7910 SOUTH TOPEKA	CASCADE	CO	80809
7912 FOREST	CASCADE	CO	80809
7915 TOPEKA	CASCADE	CO	80809
7920 FOREST	CASCADE	CO	80809
7925 TOPEKA	CASCADE	CO	80809

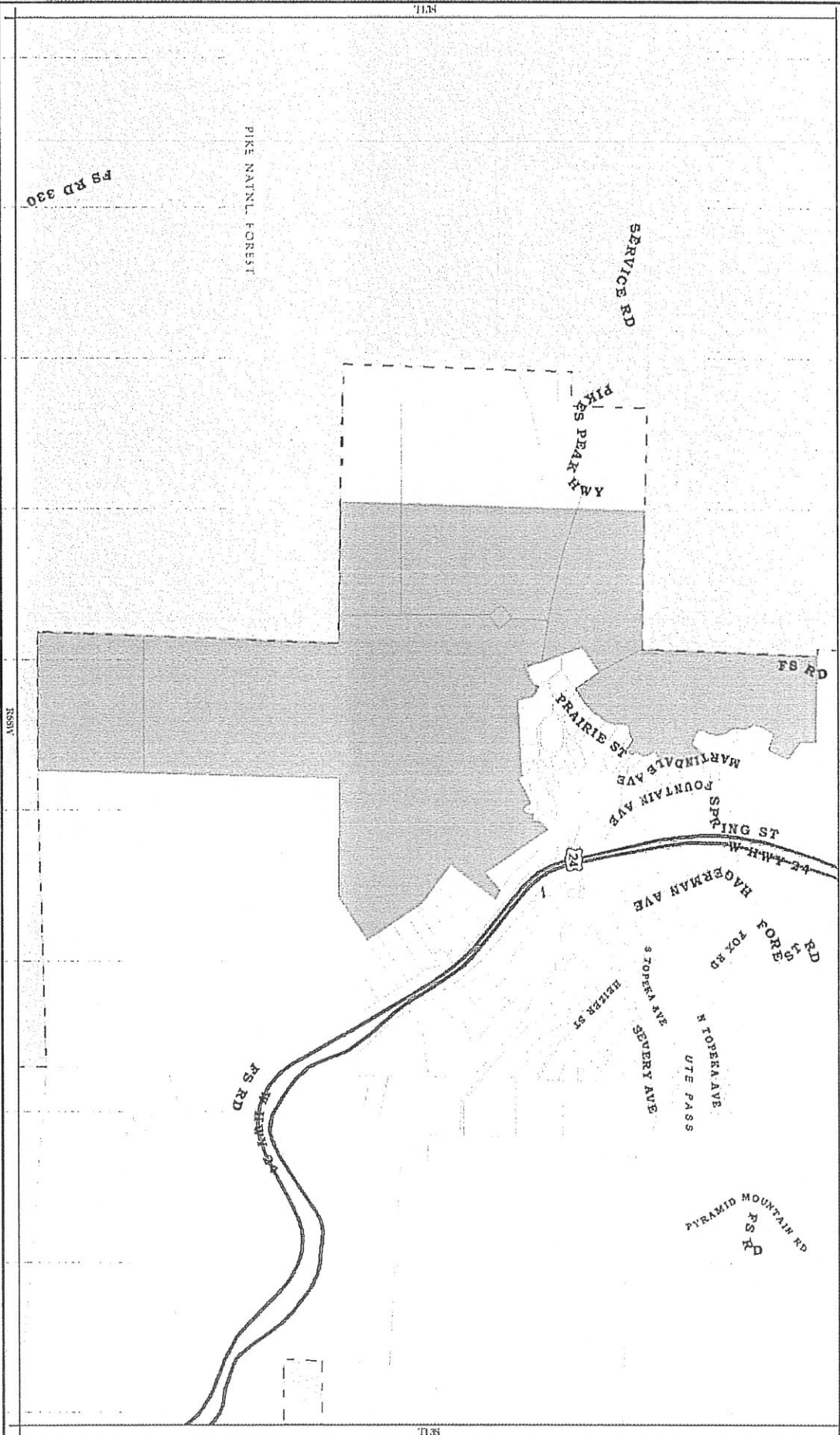
7930 TOPEKA	CASCADE	CO	80809
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7935 W. HIGHWAY 24	CASCADE	CO	80809
7940 FOREST	CASCADE	CO	80809
7940 TOPEKA AVE.	CASCADE	CO	80809
7945 TOPEKA AVENUE	CASCADE	CO	80809
7950 TOPEKA	CASCADE	CO	80809
7955 W. HWY. 24	CASCADE	CO	80809
7960 MARRIOTT	CASCADE	CO	80809
7970 TOPEKA	CASCADE	CO	80809
7975 TOPEKA	CASCADE	CO	80809
7990 TOPEKA	CASCADE	CO	80809
8002 W. HWY. 24	CASCADE	CO	80809
8005 N. TOPEKA AVENUE	CASCADE	CO	80809
8006 W. HWY. 24	CASCADE	CO	80809
8010 SEVERY	CASCADE	CO	80936
8012 UTE PASS	CASCADE	CO	80809
8014/8016 W.HWY.24	CASCADE	CO	80809
8015 SEVERY	CASCADE	CO	80809
8020 UTE PASS AVE.	CASCADE	CO	80809
8025 TOPEKA	CASCADE	CO	80809
8025 W. HWY. 24	CASCADE	CO	80809
8030 W. HWY. 24	CASCADE	CO	80809
8040 UTE PASS AVE	CASCADE	CO	80809
8045 W. HWY. 24	CASCADE	CO	80809
8048 W. HWY. 24	CASCADE	CO	80809
8090 WEST HIGHWAY 24	CASCADE	CO	80809
8116 HAGERMAN	CASCADE	CO	80809
8120 CHIPITA PK. RD.	CASCADE	CO	80809
8120 W. HWY 24	CASCADE	CO	80809
8122 W. HWY 24	CASCADE	CO	80809
8124 W. HWY 24	CASCADE	CO	80809
8126 CHIPITA PARK ROAD	CASCASE	CO	80809
8126 W. HWY 24	CASCADE	CO	80809
8128 W. HWY 24	CASCADE	CO	80809
8130 CHIPITA PARK ROAD	CASCADE	CO	80809
8130 TIMBER LANE	CASCADE	CO	80809
8135 EMPORIA HOUSE	CASCADE	CO	80809
8135 EMPORIA TENN. CT.	CASCADE	CO	80809
8135 EMPORIA WEST YARD	CASCADE	CO	80809
8136 CHIPITA PK. RD.	CASCADE	CO	80809
8138 W. HWY 24	CASCADE	CO	80809
8140 CHIPITA PK. RD.	CASCADE	CO	80809

8142 W. HWY 24	CASCADE	CO	80809
8146 CHIPITA PARK ROAD	CASCADE	CO	80809
8146 WEST HIGHWAY 24	CASCADE	CO	80809
8150 CHIPITA PK. RD.	CASCADE	CO	80809
8150 WEST HIGHWAY 24	CASCADE	CO	80809
8154 W. HWY 24	CASCADE	CO	80809
8155/8185 ANEMONE HILL	CASCADE	CO	80809
8156 CHIPITA PARK ROAD	CASCADE	CO	80809
8158 W. HWY 24	CASCADE	CO	80809
8160 CHIPITA PARK ROAD	CASCADE	CO	80809
8160 SPRING ST.	CASCADE	CO	80809
8170 CHIPITA PARK DRIVE	CASCADE	CO	80809
8170 PYRAMID MTN. RD	CASCADE	CO	80809
8172 CHIPITA PARK ROAD	CASCADE	CO	80809
8174 CHIPITA PK. RD.	CASCADE	CO	80809
8176 WEST HIGHWAY 24	CASCADE	CO	80809
8182 W. HWY 24	CASCADE	CO	80809
8190 WEST HIGHWAY 24	CASCADE	CO	80809
8196 W. HIGHWAY 24	CASCADE	CO	80809
8210 ANEMONE HILL	CASCADE	CO	80903
8212/8216 EMPORIA	CASCADE	CO	80809
8215 ANEMONE HILL	CASCADE	CO	80809
8215 EMPORIA	CASCADE	CO	80809
8220 EMPORIA STREET	CASCADE	CO	80809
8220 POPLAR	CASCADE	CO	80809
8220 W. HWY 24 NORTH	CASCADE	CO	80809
8225 W. HWY 24	CASCADE	CO	80809
8226 W. Hwy. 24	CASCADE	CO	80809
8228 W. HWY 24	CASCADE	CO	80809
8230 EMPORIA	CASCADE	CO	80809
8230 OAK	CASCADE	CO	80809
8230 W. HWY 24	CASCADE	CO	80809
8230 WEST HIGHWAY 24	CASCADE	CO	80809
8232 WEST HIGHWAY 24	CASCADE	CO	80809
8234 W. HWY 24	CASCADE	CO	80809
8235 EMPORIA	CASCADE	CO	80809
8235 OAK	CASCADE	CO	80809
8236 W. HIGHWAY 24	CASCADE	CO	80809
8238 W. HWY 24	CASCADE	CO	80809
8240 WEST HIGHWAY 24	CASCADE	CO	80809
8245 PARK ST.	CASCADE	CO	80809
8245 WEST HIGHWAY 24	CASCADE	CO	80809
8250 EMPORIA STREET	CASCADE	CO	80809

8250 OAK	CASCADE	CO	80809
8255 WEST HIGHWAY 24	CASCADE	CO	80809
8265 PARK ST.	CASCADE	CO	80809
8265 WEST HIGHWAY 24	CASCADE	CO	80809
8270 ASPEN GLOW LANE	CASCADE	CO	80809
8270 Chipita Park Rd.	CASCADE	CO	80809
8275/8277 POPLAR	CASCADE	CO	80809
8280 CHIPITA PARK ROAD	CASCADE	CO	80809
8280 POPLAR	CASCADE	CO	80809
8290 EMPORIA	CASCADE	CO	80809
8290/8292 POPLAR	CASCADE	CO	80809
8302 CHIPITA PK. RD.	CASCADE	CO	80809
8320 CHIPITA PARK ROAD	CASCADE	CO	80809
8320 EMPORIA	CASCADE	CO	80809
8325 DWYERVIEW	CASCADE	CO	80809
8330 CHIPITA PK. RD.	CASCADE	CO	80809
8336 CHIPITA PK. RD.	CASCADE	CO	80809
8350 CHIPITA PARK RD.	CASCADE	CO	80809
8370 ASPEN GLOW LANE	CASCADE	CO	80809
8390 EMPORIA STREET	CASCADE	CO	80809
8420 ASPEN GLOW LANE	CASCADE	CO	80809
8465 ASPEN GLOW LANE	CASCADE	CO	80809
8470 ASPEN GLOW	CASCADE	CO	80809
8515 ASPEN GLOW LANE	CASCADE	CO	80809
8570 ASPEN GLOW LANE	CASCADE	CO	80809
8615 ASPEN GLOW LANE	CASCADE	CO	80809
8620 ASPEN GLOW	CASCADE	CO	80809
8720 ANEMONE HILL	CASCADE	CO	80809
MARIGREEN PINES	CASCADE	CO	80809
MARIGREEN PINES	CASCADE	CO	80809
NORTH POLE	CASCADE	CO	80809
TOLL GATE BOOTH	CASCADE	CO	80809
TOLL GATE HOUSE	CASCADE	CO	80809
WHITE HOUSE PARK ST.	CASCADE	CO	80809
WHITE HOUSE, PARK STREET	CASCADE	CO	80809

EXHIBIT B-1

This map was prepared by the Cascade MD #1 District Taxation Boundary Committee. The map shows the current taxation boundaries for the district. The map is for informational purposes only and does not constitute a legal document. For more information, please contact the Cascade MD #1 District Taxation Boundary Committee.



CERTIFIED RECORD
OF
PROCEEDINGS OF
CASCADE METROPOLITAN DISTRICT NO. 1
COUNTY OF EL PASO, COLORADO
RELATING TO AND REAFFIRMING ITS
CREATION OF ITS
WATER ACTIVITY ENTERPRISE

STATE OF COLORADO

)

COUNTY OF EL PASO

)

)

CASCADE METROPOLITAN DISTRICT NO. 1

)

)

The Board of Directors of Cascade Metropolitan District No. 1, El Paso County, Colorado, met in regular session in full conformity with law and the resolutions and policies of the District, at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado, on the Tuesday, the 25th day of February 2014 at the hour of 5:00 P.M.

The following members of the Board of Directors were present, constituting a quorum:

President and Chairman:	P.J. Anderson
Vice President:	Mike Whittemore
Secretary/Treasurer:	Mike Herr
Asst. Secretary/Treasurer:	Bob Justis
Asst. Secretary/Treasurer:	Troy Eason

Also present were: Debbie McCoy and Leon Gomes, Special District Management Services, Inc., District Managers; Jennifer Gruber Tanaka, Esq., White, Bear & Ankele Professional Corporation, District General Counsel; _____.

Thereupon there was introduced the following Resolution, copies of which had been distributed previously to each Director, whereupon the Resolution was read as follows:

RESOLUTION

A RESOLUTION ESTABLISHING A WATER ACTIVITY ENTERPRISE UNDER STATE LAW WITHIN CASCADE METROPOLITAN DISTRICT NO. 1; ACKNOWLEDGING THAT SUCH WATER ACTIVITY ENTERPRISE HAS THE AUTHORITY TO ISSUE ITS OWN REVENUE BONDS UNDER STATE LAW; MAKING CERTAIN FINDINGS WITH RESPECT TO SUCH ENTERPRISE; AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Cascade Metropolitan District No. 1, County of El Paso, Colorado (“District”) shall be responsible for the provision of all water activities, including the construction of the public water projects and facilities for the District consistent with its service plan; and

WHEREAS, the District desires to establish and reaffirm the establishment of its water activity enterprise (the “Enterprise”) under Colorado law; and

WHEREAS, the members of the governing body of the District (the “Board”) are willing and intend to act as the governing body of the Enterprise; and

WHEREAS, pursuant to Title 37, Article 45.1, Part 1, Colorado Revised Statutes (the “Act”), the establishment of water activity enterprises within or by entities of state and local government is critical to the health and welfare of the people of the State of Colorado; and

WHEREAS, the Act defines a “water activity enterprise” to include any government water activity business owned by a district, which enterprise receives under ten percent of its annual revenues in grants from all Colorado state and local governments combined and which is authorized to issue its own revenue bonds pursuant to this article or any other applicable law; and

WHEREAS, “district” is defined in the Act to include special districts organized and operating under Title 32, Article 1, Colorado Revised Statutes (the “Special District Act”); and

WHEREAS, “water activity” is defined in the Act to include but not be limited to the diversion, storage, carriage, delivery, distribution, collection, treatment, use, reuse, augmentation, exchange, or discharge of water and includes the provision of wholesale or retail water or wastewater or storm water services and the acquisition of water or water rights; and

WHEREAS, “grant” in the context of the Act means a cash payment of public funds made directly to a water activity enterprise by the state or a local governmental entity or a district, which cash payment is not required to be repaid; and

WHEREAS, the District is a district under the Act which under the Special District Act and Title 31, Article 35, Part 4, Colorado Revised Statutes, has its own revenue bonding authority and which will be the sole owner of the Enterprise; and

WHEREAS, any water activity currently pursued by the District at present receives under ten percent of its annual revenues in grants from all Colorado state and local governments combined and the District intends to insure that the water activity enterprise will continue to receive under ten percent of its revenues from such grants; and

WHEREAS, the Board has determined that it is in the best interest of the District to designate its water enterprise fund and its water activities as a "water activity enterprise" pursuant to the Act and pursuant to Article X, Section 20 of the Colorado Constitution (the "Amendment"); and

WHEREAS, all capitalized words and terms used in this enterprise resolution (the "Enterprise Resolution") shall have the meanings set forth therefor in these recitals.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CASCADE METROPOLITAN DISTRICT NO. 1, COUNTY OF EL PASO, COLORADO:

Section 1. Establishment of the Enterprise. The District hereby establishes and reaffirms the establishment of the Enterprise as an agency of the District and formally designates it as the "Cascade Metropolitan District No. 1 Water Activity Enterprise." It shall be the purpose of the Enterprise to pursue or continue all of the District's water activities as defined in the Act, including but not by way of limitation water acquisition or water project or facility activities, including the construction, operation, repair, and replacement of water or wastewater or stormwater facilities, using revenues and income generated by and earned or acquired in connection with such water activities and held and managed in the District's water enterprise fund. As between the District and the Enterprise, all water activities will be deemed done and furnished by the Enterprise.

Section 2. Enterprise Excluded from the Provisions of the Amendment. Pursuant to and in accordance with the Act, the Enterprise shall be excluded from the provisions of the Amendment and shall be entitled to impose rates, fees, tolls, penalties and charges; collect and spend revenues; issue revenue bonds; and construct, operate, and maintain facilities and provide water services; all without reference or regard to the limitations contained in the Amendment.

Section 3. Governing Body. The members of the Board shall serve as the governing body of the Enterprise and shall be known collectively as the Board of Directors of the Enterprise (the "Enterprise Board"). Acting as the Enterprise Board, the Board may exercise the District's legal authority relating to water activities as defined in the Act. The Enterprise Board hereby is directed to take all actions necessary to cause the Enterprise to comply with all applicable laws.

Section 4. Powers of the Enterprise. The Enterprise shall have all powers and authority granted to water activity enterprises by the provisions of the Act, including but not limited to the power to conduct and continue water activities as defined in the Act; the power to contract with any person or entity, including other districts as defined in the Act and other water activity enterprises as defined in the Act; and the powers to issue and reissue revenue bonds through its

governing body in accordance with and through the provisions of Section 37-45.1-104(2), Colorado Revised Statutes.

Section 5. Enterprise Obligations and District Obligations. In consideration of the Enterprise's commitment to provide water services for which the District is obligated and to collect and spend revenues from rates, fees, tolls, penalties and charges imposed by the District, the District hereby agrees to continue to provide administrative services for the Enterprise and its activities, to continue to hold title to and own all of the assets currently owned by the District necessary to the operation of the enterprise, to levy taxes, if any, for and pay debt service on general obligation bonds of the District, if any, issued to finance the acquisition of water rights and the construction and installation of water facilities and improvements, and to impose all rates, fees, tolls, penalties and charges for water activities. The relationship between the District and the Enterprise with respect to the administration of the Enterprise, the operation of the water activities, and the duties and responsibilities of each party may be delineated and clarified from time to time in a joint resolution of the Board and the Enterprise Board which may be adopted at any time when this Enterprise Resolution is in full force and effect ("Joint Resolution").

Section 6. Transactions in the Name of the District. Any and all transactions of the Enterprise may be done in the name of the District or in the name of the Enterprise and neither this Section 6 nor any transaction entered into pursuant to it shall alter or abrogate the relationship of the District and the Enterprise as established pursuant to this Enterprise Resolution and as may be further clarified from time to time in a Joint Resolution.

Section 7. Findings of the Board. The Board hereby makes the following findings with respect to the establishment of the Enterprise:

(a) The District's water enterprise fund, water rights, water activities, water facilities and appurtenances all shall comprise the Enterprise which shall be and is the water activity business owned by the District.

(b) The Enterprise shall be and is an agency of the District for the purpose and within the meaning of the following:

(i) Title 24, Article 10, Part 1, Colorado Revised Statutes, the "Colorado Governmental Immunity Act";

(ii) Title 29, Article 1, Part 6, Colorado Revised Statutes, the "Colorado Local Government Audit Law";

(iii) Title 29, Article 1, Part 1, the "Local Government Budget Law of Colorado; and

(iv) All other local, state and federal laws, rules and regulations.

(c) The establishment of the Enterprise is necessary to provide a secure water supply for use by the property owners within the District and other customers of the Enterprise.

(d) The District has the authority to conduct water activities as defined in the Act and is the sole owner of the Enterprise as required by the Act. The District has revenue bonding authority for water activities pursuant to the Special District Act and Title 31, Article 35, Part 4, Colorado Revised Statutes, all as required by the Act.

(e) The Enterprise expects to receive under ten percent (10%) of its annual revenues in grants (as defined in the Act) from all Colorado state and local governments combined, and expects to receive under ten percent (10%) of its revenues for the 2014 fiscal year from such sources.

(f) Pursuant to the Act, the Enterprise is authorized to issue its own revenue bonds.

(g) The Enterprise does not and shall not levy any tax whatsoever, nor shall any rates, fees, tolls, penalties or charges collected and spent by the Enterprise ever be deemed to be taxes for any purpose under any law, rule, or regulation, whether local, state or federal.

Section 8. Termination. The Enterprise shall remain in existence at the will of the Board and in accordance with law. In the event that the Enterprise is terminated by operation of law or by act of the Board, any and all assets of the Enterprise, immediately and without the need for further action, shall be deemed to be and shall be assets of the District.

Section 9. Repealer. All orders, rules, regulations, and resolutions of the District, or parts thereof inconsistent or in conflict with this Enterprise Resolution, hereby are repealed to the extent only of such inconsistency or conflict.

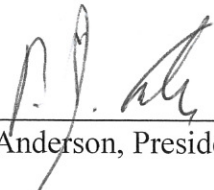
Section 10. Severability. If any section, paragraph, clause, or provision of the Enterprise Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Enterprise Resolution, the intent being that the same are severable.

Section 11. Effective Date. This Enterprise Resolution shall be effective immediately upon its adoption.

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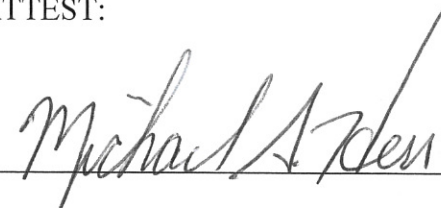
INTRODUCED, APPROVED, AND FINALLY PASSED BY THE AFFIRMATIVE
VOTES OF A MAJORITY OF THE MEMBERS OF THE BOARD THIS 25th DAY OF
FEBRUARY 2014.

CASCADE METROPOLITAN DISTRICT NO. 1

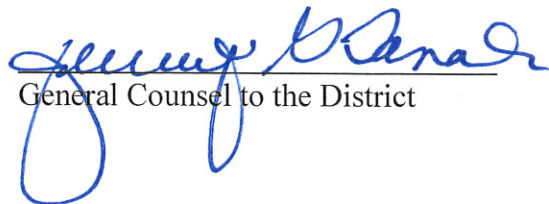


Paul J. Anderson, President and Chairman
Philip

ATTEST:



APPROVED AS TO FORM:
White, Bear & Ankele
Professional Corporation



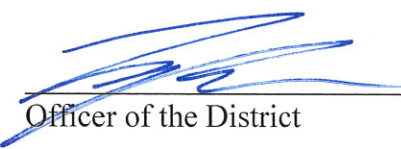
General Counsel to the District

CERTIFICATION OF RESOLUTION

STATE OF COLORADO
COUNTY OF EL PASO
CASCADE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings establishing the District's Water Activity Enterprise, all at the regular meeting of the Board held as indicated, as recorded in the official record of proceedings of said District; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; all in accordance with law

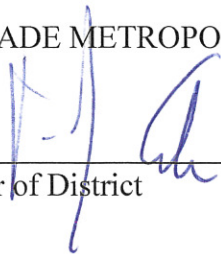
IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of February 2014.



Officer of the District


RESOLUTION APPROVED AND ADOPTED THIS 25th DAY OF FEBRUARY 2014.

CASCADE METROPOLITAN DISTRICT NO. 1

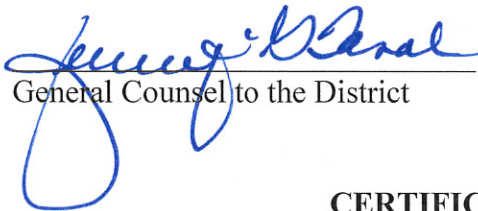


Officer of District

ATTEST:



APPROVED AS TO FORM:
WHITE, BEAR & ANKELE,
Professional Corporation



General Counsel to the District

CERTIFICATION OF AMENDED RESOLUTION

STATE OF COLORADO
COUNTY OF EL PASO
CASCADE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing Amended resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held on Tuesday, February 25, 2014, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of January 2014.

